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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/839,745	04/19/2001	Michael J. Horgan	IPS5019.01A	1294
7590	07/14/2006		EXAMINER GREIMEL, JOCELYN	
John P. O'Banion O'BANION & RITCHEY LLP 400 Capitol Mall, Suite 1550 Sacramento, CA 95814			ART UNIT	PAPER NUMBER
			3693	

DATE MAILED: 07/14/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/839,745	HORGAN, MICHAEL J.	
	Examiner	Art Unit	
	Jocelyn W. Greimel	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 4/19/01.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-43 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2-10, 21 and 23-32 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claim(s) 1-43 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 01/30/02, 02/06/06
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

1. This communication is in response to the Applicant's application filed April 19, 2001 and provisional application of April 20, 2000. In view of Applicant's claims, the election to one of the following inventions is deemed necessary. The restrictions cited are as stated below:

Election/Restrictions

2. Restriction to one of the following inventions is required under 35 U.S.C. 121:
- a. Group 1: Claims 1 and 22 are drawn to facilitating payments with a payment card and enabling the payment card.
 - b. Group 2: Claims 2-10, 21 and 23-32 are drawn to generating a virtual account, manufacturing the card and making the account accessible with the card.
 - c. Group 3: Claims 11-20 are drawn to the account being a virtual sub-account within a trust account and processing and settling the transactions.
 - d. Group 4: Claims 33-43 are drawn to the trust account database and system.
3. The inventions are distinct, each from the other because of the following reasons:
- a. Inventions 1, 2, 3 and 4 are related as combination and subcombinations. Inventions in this relationship are distinct if it can be shown that (1) the combination as claimed does not require the particulars of the subcombination as claimed for patentability, and (2) that the subcombination has utility by itself or in other combinations (MPEP § 806.05(c)).

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b. In the instant case, the combination as claimed does not require the particulars of the subcombinations as claimed because, Group II, the invention does not rely upon a facilitating payments, virtual sub-accounts and/or a trust account database.

c. The independent claims in each Group 1, 2, 3 and 4 recite limitations that are not found together in a common independent claim of the other group, thus it is evidence that Applicant believes a distinct invention combination lies within each set of independent claims. Also, the dependent claims then append a multiple of distinct inventive concepts for which Applicant's submission is evidence that Applicant believes each supports a distinct reason for invention. See MPEP § 806.05(d).

4. Because these inventions are distinct for the reasons given above and have acquired a separate status in the art as shown by their different concepts, restriction for examination purposes as indicated is proper.

Applicant is advised that the response to this requirement to be complete must include an election of one of the inventions 1, 2, 3 and 4 to be examined even though the requirement be traversed (37 C.F.R. §1.143).

5. A telephone call was made to Mr. John P. O'Banion (Reg. No. 33,201) on June 16, 2006, to request an oral election to the above restriction requirement. On June 19, 2006, Mr. O'Banion elected Group II (Claims 2-10, 21 and 23-32) without traverse.

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6. Applicant is respectfully advised to cancel all the non-elected claims. Additionally, Applicant is reminded that upon the cancellation of claims to a non-elected invention, the inventorship must be amended in compliance with 37 CFR 1.48(b) if one or more of the currently named inventors is no longer an inventor of at least one claim remaining in the application. Any amendment of inventorship must be accompanied by a request under 37 CFR 1.48(b) and by the fee required under 37 CFR 1.17(i).

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –
(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. Claims 2-7, 23-24 and 27-29 are rejected under 35 U.S.C. 102(b) as being anticipated by Levine et al (US Patent No. 5,477,038, hereinafter Levine).

9. In reference to claims 2, 23 and 24, Levine discloses a method, system and means for facilitating payment transactions between a user and a merchant, comprising generating a virtual account at a financial or other institution on behalf of a user (col. 2, lines 6-46), and making said virtual account accessible by presentation of a virtual account payment card where the means for generating the virtual account comprises establishing a database having a database record for the

virtual account within an account which is accessible by the trustee and responsive to a monetary remittance from the cardholder (col. 2, lines 47-67 – col. 3, line 1).

10. In reference to claims 3, 4 and 27, Levine discloses a method and system for facilitating payment transactions including issuing and activating a virtual account payment card; establishing a virtual account when the virtual account payment card is issued and activated (col. 2, lines 6-58); and a virtual account number is printed or embossed on said virtual account payment card (col. 2, lines 47-58).

11. In reference to claims 5-7 and 29, Levine discloses a method and system for facilitating payment transactions between a user and a merchant wherein: said virtual account can be depleted through one or more transactions for which the virtual account payment card is used as the means of payment when the card is tendered to a merchant (col. 2, lines 6-46); wherein said virtual account can be depleted through one or more transfers for which the virtual account payment card is utilized as a source of funds to facilitate a funds transfer to another virtual account (col. 2, lines 6-46); and wherein redeeming said virtual account by the cardholder results in remuneration of the cardholder with a monetary value equivalent to a virtual account balance (col. 2, lines 6-46).

12. In reference to claim 28, Levine discloses a system comprising at least one security feature selected from the group of security features consisting of cardholder signature,

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holographic indicia, cardholder photo, personal identification number and biometric characterization data (col. 2, lines 6-21).

Claim Rejections - 35 USC § 103

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

15. Claims 8-10, 21, 25-26 and 30-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Levine as applied to claims 2 and 23 above, and further in view of Kolling et al (US Patent No. 5,920,847, hereinafter Kolling).

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16. In reference to claims 21 and 25, Levine discloses a method and system for performing monetary transactions with a virtual account payment card comprising: manufacturing a virtual account payment card containing a virtual account number printed or embossed on the card, and encoded magnetically within a magnetic stripe on the virtual account payment card (col. 2, lines 6-61); generating a virtual account corresponding to the virtual account payment card, said virtual account maintained as a record within the database for a trust account, said virtual account record containing a balance field indicative of the portion of funds within the trust account which may be paid out from the trust account in response to a transaction with the virtual account payment card (col. 2, lines 47-67; col. 3, line 1); process the virtual account payment card for a transaction in the same or similar manner as that used for other payment cards (col.2, lines 40-46); wherein the database is configured to retain a history of transactions executing in relation to the associated virtual account (col. 5, lines 8-19).

17. Additionally in reference to claims 21 and 25, Levine does not disclose settling the transaction from said trust account on behalf of the cardholder and decrementing the existing balance of the virtual account in response to payments made with the card, and incrementing the existing virtual account balance in response to transfers made to the virtual account payment card. However, Kolling discloses settling the transaction from said trust account on behalf of the cardholder and decrementing the existing balance of the virtual account in response to payments made with the card, and incrementing the existing virtual account balance in response to transfers made to the virtual account payment card (col. 30, lines 30-49). It would have been obvious at the time of the invention to one of ordinary skill in the art to combine the method for

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performing monetary transactions with a virtual account of Levine with the transfer ability of Kolling. The motivation would be to give the card user the ability to return items to the store and credit the card for the items and easily track the balance of the card.

18. In reference to claims 8-10, 26 and 30-32, Levine discloses a method and system for a virtual account wherein the virtual account payment card can be electronically scanned and authenticated in the same or similar manner as that used for a debit card and wherein a transaction using said card is authorized and settled in the same or similar manner as a debit card transaction (Levine: col. 2, lines 6-58). Levine does not disclose the virtual account: being recharged from time-to-time by transferring a monetary amount to an issuer or trustee for increasing the balance amount of the virtual account and wherein the virtual account may be credited to increase the balance in response to merchant refunds and adjustments or generating additional virtual accounts and aggregating all such virtual accounts for an issuing bank into a single trust account or similar account from which all transactions executed with the method are paid.

19. However, Kolling discloses the virtual account: being recharged from time-to-time by transferring a monetary amount to an issuer or trustee for increasing the balance amount of the virtual account and wherein the virtual account may be credited to increase the balance in response to merchant refunds and adjustments (Kolling: col. 30, lines 30-49); and generating additional virtual accounts and aggregating all such virtual accounts for an issuing bank into a single trust account or similar account from which all transactions executed with the method are

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paid (Kolling: col. 19, lines 5-24). It would have been obvious at the time of the invention to one of ordinary skill in the art to combine virtual payment account and card of Levine with the recharge and aggregate card functions of Kolling. The motivation would be to give the virtual account card user the ability to return items to the store and credit the card for the items. Additionally, the aggregate function will ease the use of the card when dealing with multiple accounts.

Conclusion

20. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jocelyn Greimel whose telephone number is (571) 272-3734. The examiner can normally be reached Monday - Friday 8:30 AM - 4:30 PM EST. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

21. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would

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like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Jocelyn Greimel
June 23, 2006



HANI M. KAZIMI
PRIMARY EXAMINER